



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Fiscal Analysis Memorandum

CONFIDENTIAL

Requestor: Representatives Howard, Setzer, and Szoka
Analyst(s): Brian Slivka
RE: PCS to HB195v3

SUMMARY TABLE

FISCAL IMPACT OF PCS to HB195, V.3 (\$ in thousands)					
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Board Impact					
Board Revenue	1,522.6	3,294.5	5,337.8	7,267.6	7,267.6
Less Board Expenditures	42.0	42.0	42.0	42.0	42.0
NET LOCAL IMPACT	\$1,480.6	\$3,252.5	\$5,295.8	\$7,225.6	\$7,225.6

FISCAL IMPACT SUMMARY

The PCS to HB195v3 makes a number of changes to the laws governing the North Carolina Board of Nursing. It increases the per diem the members of the Board may collect (from \$100.00 to \$200.00). Also, the PCS increases the fee ceiling for fees collected by the Board, including license renewal fees, examination fees, and reinstatement fees.

FISCAL ANALYSIS

Section 1 of the PCS to HB195v3 changes the term Reimbursement to Compensation. The North Carolina Board of Nursing Board Members are currently entitled to receive compensation and reimbursement of \$100.00 per day. The PCS would allow a per diem not to exceed \$200.00 per Board member. According to the North Carolina Board of Nursing, those Board members meet approximately 30 days each year. Also, there are a total of 14 Board members. If the per diem compensation were raised to the maximum allowed, the Board would incur expenses of approximately \$42,000 (14 Board members * 30 meeting * \$100.00 increase).

Section 4 of the PCS details the various fees collected by the North Carolina Board of Nursing. The table below shows current fees and those proposed within the PCS. Also, there is a column to show the changes in the various fees.



North Carolina Board of Nursing Fees			
	Current Fee Cap	Proposed Fee Cap	Change in Fee Cap
Application for examination leading to certificate and license as registered nurse	\$75.00	\$100.00	\$25.00
Application for certificate and license as registered nurse by endorsement	\$150.00	\$150.00	\$0.00
Application for each re-examination leading to certificate and license as registered nurse	\$75.00	\$100.00	\$25.00
Renewal of license to practice as registered nurse (two-year period)	\$100.00	\$200.00	\$100.00
Reinstatement of lapsed license to practice as a registered nurse and renewal fee	\$180.00	\$280.00	\$100.00
Application for examination leading to certificate and license as licensed practical nurse by examination	\$75.00	\$100.00	\$25.00
Application for certificate and license as licensed practical nurse by endorsement	\$150.00	\$150.00	\$0.00
Application for each re-examination leading to certificate and license as licensed practical nurse	\$75.00	\$100.00	\$25.00
Renewal of license to practice as a licensed practical nurse (two-year renewal period)	\$100.00	\$200.00	\$100.00
Reinstatement of lapsed license to practice as a licensed practical nurse and renewal fee	\$180.00	\$280.00	\$100.00
Application fee for retired registered nurse status or retired licensed practical nurse status	\$50.00	\$50.00	\$0.00
Reinstatement of retired registered nurse to practice as a registered nurse or a retired licensed practical nurse to practice as a licensed practical nurse (two-year period)	\$100.00	\$200.00	\$100.00

The proposed fees are the maximum amount the Board may collect from members. The PCS states that the above fees shall not increase from one year to the next by more than 20%. In other words, the Board would need to gradually phase-in any fee increases over a number of years. An example of that is shown below.

The 2017-18 annual report from the North Carolina Board of Nursing includes operating revenue from license renewals, examination fees, and reinstatements. Analyzing those numbers, we've

estimated an average of 69,437 license renewals, 6,908 examinations, and 1,512 reinstatements per year. The possible maximum fees, as well as associated revenue impact, is shown below.

		FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
License renewals	Maximum Fees	\$120.00	\$144.00	\$172.80	\$200.00	\$200.00
	Revenue Impact	\$1,388,738	\$3,055,224	\$5,055,007	\$6,943,692	\$6,943,692
Examination fees	Maximum Fees	\$90.0	\$100.0	\$100.0	\$100.0	\$100.0
	Revenue Impact	\$103,615	\$172,692	\$172,692	\$172,692	\$172,692
Reinstatements	Maximum Fees	\$120.00	\$144.00	\$172.80	\$200.00	\$200.00
	Revenue Impact	\$30,248	\$66,546	\$110,103	\$151,240	\$151,240

The table below details the net impact of the PCS to HB195v3.

	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Total fee changes	\$1,522,602	\$3,294,462	\$5,337,802	\$7,267,624	\$7,267,624
Board compensation changes	(\$42,000)	(\$42,000)	(\$42,000)	(\$42,000)	(\$42,000)
Net revenue impact	\$1,480,602	\$3,252,462	\$5,295,802	\$7,225,624	\$7,225,624

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

North Carolina Board of Nursing; Moody's Economy.com

FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS

This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at FiscalNoteRequests@ncleg.net or call (919) 733-4910.

